YARMOUTH FINANCE COMMITTEE MINUTES
Yarmouth Town Hall, Room A
February 4, 2015

Present: Joseph Goldstein, Chair, Cathy Romboli, Vice Chair/Clerk, Nathan Ladley, Phillip Morris, Robert Ciavarra, Jack Moylan
Administration: William Hinchey, Town Administrator; Peter Johnson-Staub, Assistant Town Administrator
Guest: Pat Armstrong, Director of Parks, Recreation and Cemeteries; Carol Woodbury, Superintendent DY Regional Schools, Larry Azer, DY Regional Schools Director of Finance and Operations.

The meeting was called to order by Mr. Goldstein, Chair, at 6:35 p.m.

MOTION: To approve the minutes of the January 21, 2015 meeting as written.
Motion by: Mr. Morris **Seconded by:** Mr. Moylan **Vote:** 6-0-0

NEXT MEETING:
The next meeting will be held on February 11, 2015, at 6:30 p.m., Room A, Yarmouth Town Hall. There was a discussion of the Capital Budget, and Mr. Goldstein suggested that we defer the discussion of the Capital Budget Warrant Articles until February 18, 2015. There is a Capital Budget Committee meeting on January 17, 2015.

ADMINISTRATIVE ITEMS:

PARKS, RECREATION AND CEMETERIES:
Pat Armstrong gave an overview of the Department of Parks, Recreation and Cemeteries. Parks manages over 200 acres of public land, and this department handles all the trash for the public lands, slip management, beach raking, maintenance of all buildings, maintenance rest rooms, irrigation for all the ball fields and squares, snow removal and support to the DPW, CPC land bank maintenance and all the public flags. The Parks Division has 6 full-time employees.

The Recreation Division has 1 full-time employee and 130 seasonal employees.

The Cemeteries Division has 2 full-time employees, 68 acres, with 7 active cemeteries and 4 inactive cemeteries. Ninety burials are performed per year. This division supports the DPW with snow and ice in the winter.

Pat also highlighted items on the budget including:

1. Cemeteries - $7,500 for 1 additional seasonal employee. Other than COLA's expenses are level funded.
2. Recreation - An additional full-time Supervisor has been added at a cost of $20,957
   -Additional Seasonal Other Staff Wages for a part-time seasonal employee at Flax Pond at a cost of $20,000, and a Beach Director to handle tickets and money at a cost of $6,600.
   -Revenues in the Offset Account were diminished by $7,600 and are now 5% above last year's numbers.
3. Parks - There was a $12,565 increase in seasonal wages for trash pick-up and mowing.

ADMINISTRATIVE BUDGET AND BENEFITS:
Mr. Johnson-Staub highlighted changes in the Administrator's Expense Budget (p. 1-2 of the Budget FY16), namely, Town Admin. Salaries (reorganization of Admin. Staff), Contract Settlements, Employee Increment (for merit increases), Town Admin. Training and Expense, Reserve Expenses, Purchasing (a new copy machine) Energy, and Legal Expenses (level funded). Mr. Johnson-Staub explained that the decrease of $176,528 in Insurance Expense was the result of transferring these expenses to the enterprise funds, Golf and Septic Treatment, as well as, the Water Department. The total increase in Insurance Expense for FY16 is 6%. This includes General, Property, Workmen's Compensation, Police and Fire, and Accident Insurances.

Mr. Johnson-Staub also reviewed the Municipal Finance Budget (p. 2-3 of the Budget FY16). The Pension increased 6% in FY16. This year the Pension Budget will be voted on at Town meeting. Health Insurance is level funded in FY16, but is expected to rise 10% in FY17. Medicare has also been moved to the enterprise funds, and it is level funded in FY16. Mr. Johnson-Staub also highlighted Exempt Debt Expense reduction of $505,818 and Non Exempt Debt Expense reduction of $109,306.

DY REGIONAL SCHOOLS:
Carol Woodbury brought a handout with answers to the Yarmouth Finance Committee's questions.

Question 2: A 10% increase ($220,000) in Health Insurance is being used in budget preparation. The total Health Insurance increase this year is $298,000. For non-teachers Pension costs decreased 3.2%. Teacher's retirement is a state system. The 1% increase in teacher's salaries represents $240,000 in the budget. Step increases amount to $365,000.

Question 12: SPED and Cafeteria Workers contracts are not settled. Cafeteria workers' are paid out of revenues from the cafeteria. Ms. Woodbury reviewed the second handout comparing contract increases and salary levels with other district around DY, and she said that we are at the low end, and we are negotiation well.

Question 14, Question 5, Question 9, Question 11 and Question 6 (See Power Point Handout): "From FY14 to FY15 we have only 17 fewer students. With 13 grades that is less than two students per grade. It is not possible to reduce staffing unless you have a large decrease in any one grade. Looking at the teacher distribution chart you can see that from FY14 to FY15 we reduced about 5 classroom teachers. When we get enough to make a reduction, we have done so and continue to look at that annually." Mrs. Woodbury and Mr. Azer reviewed the Power Point handout with graphs on Total Enrollment, Teacher Distribution, Enrollment & Staffing Trends, Classroom Teacher Ratio, Kindergarten Class Size, Elementary Class Size (1-5), Secondary Class Size (6-12). Teacher Distribution per Grade Level, Support Staff, Cost by Type of Program, ELL Enrollment, ELL Expenses (rose over 400% in eight years), Special Education Enrollment, Special Education Expenses, Low Income Enrollment, High Needs Enrollment, and Charts on State Aid, and E & D. Mrs. Woodbury noted that the E & D account has been depleted. This leaves a $500,000 gap in the school budget, Mr. Azer said.

Question 15: "We have reduced the number of classroom teachers by approximately 42 since 2006. However, the needs of our students and legal requirements for students in particular categories have caused a need for additional teachers in those areas of certification."

Mrs. Woodbury said that her budget is a "level service budget". Mr. Azer highlighted the cut of 27% to transportation by Gov. Patrick, the reduction in Charter School reimbursement due to the decrease in

students going to Charter Schools, and a Chapter 70 increase of $25 per student. Mrs. Woodbury said that the Governor's Budget may not come out until March 4, 2015.

WARRANT ARTICLES:
Article 1: FY 16 Supplemental Budget (Including litigation, if necessary)
The labor settlement was $203,000. Snow and Ice is yet to be determined.
Vote on this Article was postponed.

Article 2: Operating Budget
Vote on this Article was postponed.

TRANSFERS:
There were no transfers at this meeting.

TOWN ADMINISTRATOR'S UPDATE:
Mr. Hinchey addressed Capital, exempt debt, and Bay Colony.
The Bay Colony settlement is $1.6 million, larger than the anticipated $1.5 million. Mr. Hinchey expressed his concern about the interest accruing. Mr. Hinchey suggested using Free Cash to pay the debt as soon as possible creating excess levy capacity.

Mr. Hinchey passed out Annual Town Meeting Funding Options:
Effected Articles: Article #1 FY15 Supplemental; Article #8 CCT Stabilization; Article #9 Town Capital; Article #15 Free Cash Grants; Article #16 Tourism Revenue; Article #17 Stabilization
Current Balances: Stabilization: $2 million; Free Cash $2,454,608

Mr. Hinchey also presented the following comparison:

	As Proposed	Revised
Free Cash Uses		
FY15 Wage Supplement	$203,000	$203,000
Free Cash Grants		
Lump Sum Wages	90,000	90,000
Police & Fire Medical Bills	25,000	25,000
Long Range Planning Consultant	100,000	50,000
Tourism	75,000	50,000
Regular Debt Pre-Pay	250,363	250,363
Capital	879,000	0
Bay Colony Judgement		$1,600,000
Subtotal	$1,622,363	$2,268,363
Free Cash Certified	$2,454,608	$2,454,608
Balance to Stabilization	832,245	
Reserve for Snow and Ice		186,245

Mr. Hinchey reviewed the DY Budget. He said that the 2 ½% provides $625,000 from Yarmouth and $375,000 from Dennis totaling $1,625,000. The DY Regional School's preliminary budget is $972,000

over the $1,625,000. Yarmouth's portion of that is about $650,000; if $509,000 (the Debt Drop Off) is used to offset this amount, there is still a deficit of $141,000.

Mr. Ciavarra disclosed to the Committee that his wife was a substitute teacher at ME Small Elementary School.

ADJOURN:
MOTION: To adjourn at 9:30 p.m.
Motion by: Mr. Moylan **Seconded by:** Mrs. Romboli **Vote:** 6-0-0

Respectfully submitted,

Grace E. Buckler

Grace E. Buckler
Recording Secretary
Yarmouth Finance Committee